



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenejem
Attorney General

Roger Johnson
Agriculture Commissioner

News Release

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For Immediate Release

BND pays Federal default fee for students

BISMARCK – The Bank of North Dakota (BND) recently announced it will pay the one percent Federal default fee for new Stafford loans guaranteed on or after July 1, 2006, through June 30, 2007.

“With BND paying the one percent default fee on behalf of the student, the Bank is providing real savings, right now,” said Gov. John Hoeven. “Combined with the Bank’s recent announcement to pay the Federal origination fee on Stafford loans, these savings can be used for college tuition, books and supplies, and room and board.”

For example, a college student who borrows a \$5,000 Stafford loan would save \$150 in fees. “The Federal default fee on Stafford loans is required to be collected by the guarantor beginning July 1, 2006,” said Attorney General Wayne Stenejem. “BND will pay the default fee on behalf of the borrower. Those fees will be deposited with Student Loans of North Dakota-Guarantor in the Federal Student Loan Reserve Fund in order to pay future claims.”

“The Bank’s payment of the one percent Federal default fee will apply to unsubsidized and subsidized Stafford loans for students,” said Agriculture Commissioner Roger Johnson. “This reduction in cost to attend college will keep money in the pockets of students. This is just one step in an ongoing effort to help our college students at a time when Bank profits are strong and the State’s finances are very good.”

“By paying these upfront costs students can start here, right now for real savings as we continue our commitment to provide programs that make it easier and more affordable to attain a higher education,” said BND President Eric Hardmeyer. “Payment of the default fee, coupled with payment of the origination fee, are two examples of our longstanding desire to provide programs that have an impact in North Dakota.”

The nation’s only state-owned bank, BND was established in 1919 to encourage and promote agriculture, commerce and industry in North Dakota. BND is overseen by the Industrial Commission of North Dakota, consisting of Gov. John Hoeven as chairman, Attorney General Wayne Stenejem, and Agriculture Commissioner Roger Johnson.

FURTHER INFORMATION: Contact James Barnhardt – phone #701-328-5882 or 1-800-472-2166